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NATIONAL INTELLIGENCE DAILY CABLE

Monday 11 September 1978

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Unauthorized Disclosure Subject to Criminal Sanctions

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State Dept. review completed

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National Intelligence Daily Cable for Monday, 11 September 1978

The NID Cable is for the purpose of informing senior US officials.

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LEBANON: Situation Report

25X1 [] *The steady erosion of the 9 August cease-fire in Lebanon continued this weekend with sporadic, heavy fighting between Syrian soldiers and Christian militiamen in Beirut. Fighting was centered in the Christian district of Ayn Rummanah but also spread to the port area.*

25X1 [] On each day, there was sniping in the late afternoon, followed by artillery and mortar fire by both sides during the night. The port area, as well as residential sections, were shelled. One US ship unloading PL 480 foodstuffs was forced to withdraw early Sunday, and the port was closed.

25X1 [] The Syrians appear to be using the Camp David talks as an opportunity to keep up the pressure on the Christians in Beirut. Nonetheless, Damascus probably does not want the fighting to escalate at this time, especially as Syrian President Assad is traveling to West Germany today and will be there until Saturday. Moreover, the head of the pro-Syrian wing of the Lebanese Baath Party told US officials in Beirut that Syrian troops in Beirut are still under orders not to fire unless fired upon.

25X1 [] In an interview with West German television yesterday, Assad stressed that Syria has broad support for its role in Lebanon from the Muslim population as well as from such Christian leaders as former President Franjiyah. Assad argued that Syria's goal in Lebanon was security, but that Israel was inciting the militias toward war. Assad also said that Syrian forces were ready to withdraw from Lebanon if the Lebanese Government requests that.

25X1 [] Most Christian leaders probably want to avoid a major flareup at this time as well, but militia hardliners have been intent on provoking a major crisis for some time and may exploit the current fighting to achieve that objective.

25X1 [] In any case, the Christian militiamen in the streets are often poorly disciplined and are likely to continue sniping attacks and other provocations against the Syrians. Extremist

25X1 [redacted]

National Liberal Party leader Camille Shamun yesterday reiterated his call for an end to the Arab peacekeeping force's mandate, which expires on 27 October. [redacted]

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IRAN: Relatively Quiet Weekend

25X1 [redacted] *//Iranian cities under martial law have remained relatively calm during the past two days. The Shah, while visibly shaken by recent events, has reconfirmed his commitment to liberalization and free parliamentary elections in 1979.//*

25X1 [redacted] Some gunfire was heard in Tehran on Saturday, but the city was generally quiet over the weekend. The government has arrested a number of political and religious leaders opposed to the Shah, although the roundup apparently includes only those involved in the illegal demonstrations on Thursday and Friday.

25X1 [redacted] *//Ambassador Sullivan over the past few days has met with the Shah, two cabinet members, and several high-ranking military officers. He found some support, not only within the military but in the cabinet as well, for reimposition of a strong authoritarian regime to suppress the opposition. He also found, however, that a significant group within the leadership, including the Shah, remains determined to press on with political liberalization and social and economic reforms--including a clampdown on official corruption.//*

25X1 [redacted] *//The Shah was described by the Ambassador yesterday as "tired and unhappy but considerably more spirited" than he had been a week earlier. He categorically denied that he would abdicate or flee the country and accepted the probability that Iran will be in for a period of terrorist acts, sabotage, and industrial strikes.//*

25X1 [redacted] The government presented a new program yesterday, emphasizing protection of individual rights, freedom of expression, and creation of "a secure environment" in which free elections can be held. During the introduction of the program, a

[redacted]

few opposition and independent deputies marched out to protest the deaths that occurred in clashes between demonstrators and troops on Friday.

25X1 [redacted] On Saturday, the Shah accepted the resignation of Minister of Court Amir Abas Hoveyda. Hoveyda has long been a close adviser to the throne and was prime minister from 1965 to 1977. He has long been rumored to be a Bahai, a sect strongly denounced by Muslim leaders, and his ouster could be another conciliatory gesture by the Shah toward at least his moderate opponents within Muslim ranks. 25X1 [redacted]

25X1 INDIA-USSR: Visit to Moscow

25X1 [redacted] *//Indian Foreign Minister Vajpayee arrives in Moscow today to test Soviet willingness to supply India with nuclear fuel, assure Soviet leaders about his forthcoming trip to China, and raise the issue of Soviet involvement in Afghanistan.//* 25X1

25X1 [redacted] *//Vajpayee will also seek to reassure the Soviet leadership about his planned visit to Peking later this year. He is likely to assure Moscow that any improvement in Sino-Indian relations would not jeopardize relations with the USSR, and that the border issue between India and China is not likely to be settled easily or soon because of resistance within India's ruling Janata coalition.//*

25X1 [redacted] *//In wide-ranging discussions about political trends in Asia, Vajpayee is likely to reiterate India's concern*

about President Taraki's narrowing political base in Afghanistan. The Indians fear that, if disaffected officers move to overthrow the regime, Pakistan might become involved and Taraki would call for Soviet military assistance. Vajpayee is likely to advise Moscow against any such action because New Delhi believes it would seriously undermine the power balance in the area.//

//The Soviets, while reiterating their support for the Taraki regime, will try to assure Vajpayee that Moscow shares the same concerns and, in any event, would be very reluctant to commit troops to Afghanistan.

RHODESIA: Situation Report

Prime Minister Smith announced a partial imposition of martial law in Rhodesia yesterday, and the government began arresting political officials of the internal wing of the Zimbabwe African People's Union.

Smith disclosed few details, but said specific measures would be implemented soon as conditions warrant. He said the government had also considered a general mobilization but indicated that he hoped such an action could be avoided. Smith's statement represents an attempt to boost sagging white morale and dampen growing criticism of the government in the wake of the shooting down of a Rhodesian airliner by ZAPU guerrillas last week.

Smith's announcement could spur more whites to consider leaving Rhodesia. White emigration has been running high because of the lack of progress toward ending the insurgency. Smith made no mention of any new settlement initiatives, and some whites probably will view the new measures as further evidence of the failure of the internal settlement with moderate blacks.

CUBA: Fishing for Hard Currency

25X1 [] Cuba, with help from the USSR, has developed a competitive high seas fishing fleet that has become an earner of hard currency second only to sugar. The modern Cuban fleet has increased its catch significantly over the past decade and plans a 60-percent increase over its 1977 catch by 1980. Some foreign waters traditionally worked by Cuban fishermen are or will be closed, posing a strong challenge to Havana to exploit new areas that will be needed to make up for expected short-falls.

25X1 [] Cuban fishing, once confined to local waters, now ranges from Canadian and US waters to West Africa, the central Atlantic off Argentina and Brazil, and the southeastern Pacific off South America. In 1966, Cubans started fishing in waters off Canada and the northeastern US; these areas, together with the west coast of Africa, have accounted for most of the increase in Cuba's fish catch since the early 1970s.

25X1 [] Since 1960, Cuba's fish catch has increased more than sixfold to around 220,000 tons a year in 1977. By 1980, Cuba plans to increase its catch to 350,000 tons.

25X1 [] Hard-currency earnings from the fishing industry have increased along with the catch and now stand at \$84 million--up from \$23 million in 1970 and only \$1 million in 1960. Shrimp and lobster account for 90 percent of these earnings. Much of the lobster and shrimp is taken from Mexico's Campeche Bay and the Gulf of Mexico. Cuba, however, has agreed to end lobster and shrimp fishing in Mexican waters by 1980. Restrictions in waters off Argentina, Brazil, and the US will also reduce Cuba's total fish catch and could cause hard-currency earnings to decline if new fishing areas are not found.

25X1 [] The Cubans, like the Soviets, have strengthened ties with other countries through technical cooperation agreements for maritime fisheries. In 1972, they signed an agreement with Guyana to develop a fish processing complex.

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[] Cuba has fishing agreements with Angola, Benin, Guinea, Guinea-Bissau, Guyana, Jamaica, Mozambique, South Yemen, Peru, Sao Tome/Principe, and Vietnam. Cuban assistance includes full-time training at Cuba's fisheries school and the provision of boats and equipment. In return, the Cubans have gained access to fishing grounds within their partners' 200-mile maritime zones.

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[] Much of Cuba's future success in fishing will depend on whether it can efficiently exploit new fishing areas. If the new ventures do not live up to their potential, it may be difficult for Havana to meet its planned catch of 350,000 tons in 1980. Its new ventures in West African waters and off Guyana would be able to make up the expected shortfall resulting from newly imposed restrictions, but these areas have not yet been fully exploited.

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UN: North - South Dialogue

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[] *A meeting of the new UN committee created to oversee and monitor discussions between industrialized and developing countries on international economic issues was suspended shortly after it convened on Friday because of an impasse over the role and functions of the committee. The issue of clarifying the committee's mandate, originally drawn up by the UN General Assembly in December, will now have to be resolved by the 33rd General Assembly, which convenes next week. The developing countries are likely to view the meeting's failure, and especially perceived US intransigence on this and other issues, as another indication of the loss of momentum in the North-South dialogue.*

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[] Differences of opinion regarding the interpretation of the committee's mandate--which reflect the underlying disagreements in establishing the committee--have stymied any substantive progress from the beginning. The industrialized countries insist that the committee's mandate specifically precludes

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a negotiating role. They view the committee as a forum for in-depth review of international economic issues to facilitate negotiations in other UN organizations.

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[redacted] The developing countries, however, want a negotiating role for the committee and concrete commitments on the part of industrialized countries. They had also hoped that through the committee they could influence technical negotiations conducted by specialized UN agencies.

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[redacted] A session in May had ended inconclusively when participants could not agree on any final documents reflecting committee discussions. Informal consultations held during the summer failed to define the role of the committee, and this session opened amid growing tension and uncertainty among the participants over the committee's future, and more broadly over the state of North-South relations in general.

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[redacted] The committee's suspension prior to the opening of the General Assembly will undoubtedly affect the attitudes of both developing and industrialized countries as they shape policies for the General Assembly, and also for the preparations under way on the Fifth UN Conference on Trade and Development scheduled for next May. [redacted]

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